United Nations DP/CRR/CMB/1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
25 February 2000

Original: English

Second regular session 2000
3-7 April 2000, New York
Item 9 of the provisional agenda
Country cooperation frameworks and related matters

Country review report for Cambodia

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00-32301 (E) 210300

Introduction

1. In accordance with the procedures set forth in the programming manual for the review of country cooperation frameworks (CCFs), a review of the CCF for Cambodia was held in September-October 1999, followed by a high-level meeting with government officials in December 1999. The present report contains a summary of the findings of the review. For programme performance and programme management the findings are grouped by thematic areas, for each of which are presented summaries of the conclusions, the corresponding recommendations and the actions agreed on by UNDP and the Government. The first CCF for Cambodia covers the period 1997-2000.

I. The national context

2. Cambodia is categorized as a least developed country and ranks 156 out of 174 in terms of human development achievements. The country is moving ahead in establishing conditions for long-term development. The conduct of successful national elections in July 1998 and the subsequent installation of a coalition government fully recognized by the international community have been important changes in Cambodia since the approval of the CCF in September 1997. The new Government is pursuing a comprehensive platform of action for socio-economic development under conditions of increasing normalcy. Conditions are now generally more favourable for the pursuit of capacity-building goals in both the content and manner of implementation of the CCF. However, it is also important to be mindful that the recent history of political instability in Cambodia continues to impose restraints on the pace of capacity-building efforts. Within conditions of greater normalcy, the capacity-building efforts, the public administration reform and the decentralization and deconcentration long-term process stand a greater chance of success and should be enhanced.

II. The country cooperation framework

3. While there have been no substantive changes in the current CCF since its approval, it is a product of the time and circumstances under which it was drawn up and approved. The central objective of the CCF was to develop and institutionalize national Cambodian capacities to plan and implement programmes for alleviating poverty, especially in the rural areas. One of the principal strategies was to pair capacity-building for promoting local-level socio-economic development and governance with institutional strengthening at the central and provincial levels.

4. The Government of Cambodia has expected UNDP to be involved and often to take a leadership role in a wide range of areas as the country sought to resume relations with donors and multilateral institutions and to restart the development processes. UNDP has been providing effective support to Cambodia under difficult circumstances, and the areas of UNDP activity correspond to the continuing development priorities of the country. The UNDP programme in Cambodia is both large and complex and assistance has been channelled through a large number of projects (currently 53 ongoing projects). Within its broad scope, the programme focuses on the problems of poverty, governance, the environment, and gender,

consistent with both the mandate of UNDP and the required follow-up to important global conferences.

5. There is no need to redirect the programme for the remaining period of the CCF (year 2000). The next CCF (2001-2004), however, will be formulated in a more results-oriented manner, concentrating UNDP support by development objectives. In an effort to consolidate the large number of complex and diverse projects, due consideration will be given to the programme approach, and also to sector-wide approach programmes (SWAP) and other related mechanisms that foster better coordination and maximize support to national efforts. It will also select on a trial basis at least one area of activity at the central and local levels for the use of the programme approach.

6. The specific conclusions contained in the review, recommendations and related action agreed on by UNDP and the Government are summarized below.

III. Programme performance

Enabling environment for sustainable human development

Findings

7. UNDP has given priority attention to this area and has been very much involved in national policy dialogue in various sectors of Cambodia's development. One example is the Consultative Group process, in which the UNDP Resident Representative delivered key statements on poverty, as well as on aid coordination and capacity-building issues. This support has generated good quality outputs, increased awareness and created analytic capacity with regard to sustainable human development (SHD) issues. The role of UNDP as a key partner in strengthening capacity for the national elections held in July 1998 was amply demonstrated by its management of the $10.3 million trust fund supported through contributions from 15 donors. UNDP support helped to establish a creditable and permanent capacity in the National Elections Commission, which will continue to serve the ongoing democratization processes in the country. Technical support was also provided for the definition of the role of Communal Councils and drafting necessary legislation for the communal elections tentatively scheduled for 2000. The key advantage in this area was the improvement of governance in an area in which the neutral and apolitical role of the United Nations gives it a comparative advantage. The importance of free and fair elections in the process of reintegration of all peoples in Cambodian society and their empowerment to influence decisions that affect their daily lives cannot be overemphasized.

8. Regarding the reform of judicial and legal structures and promotion of human rights, a judicial mentoring programme has improved the standards and procedures in the courts in 6 of the 23 provinces. This support was provided through experienced consultants, who provided on-the-job training in the application of international standards of human rights protection and due process in a judicial system handicapped by the lack of legally trained personnel. Further, UNDP support was intended to strengthen, *inter alia,* the capacities of the National Assembly and its Commission on Human Rights, but met with less success owing to the constraints faced by the Government. Support aimed at strengthening the capacities of human rights non-governmental organizations (NGOs) has had more success, with 14 of

them now active in providing training to the police, the army, and others, and assisting their constituencies in the area of human rights.

9. UNDP support to national public administration reform, which started in 1995 under United Nations Office for Project Services (UNOPS) execution, did not have the expected results. Although the establishment of a database of all public service laws has been a useful output, most of the intended outputs have still not been attained. Reasons for this failure include the earlier political instability, the lack of consensus on the scope and objectives of the reform at the political level, and the fact that the project's objectives were overambitious considering the absorptive capacity of the Government at the time. A broad consensus now exists at the highest level on the need to reform the civil service, and with UNDP support, the Government submitted its strategy to modernize the public administration within the next five years to the Consultative Group which met in February 1999. On the basis of that document, UNDP prepared a programme support document (PSD) in support of the Government's strategy. UNDP was asked to take the leadership role on this at the Consultative Group meeting, and the prospects for future multi-bi-cooperation in this area look quite promising. Progress has been made also with UNDP support in the establishment and use of an in-country aid coordination mechanism, both for inter-ministerial coordination and for the preparation and follow-up of regular donor dialogue and Consultative Group meetings. Specifically, UNDP assistance has enabled the operationalization of the National Public Investment Management System, which resulted in improved integration of national, sectoral and provincial development and investment planning and budgeting.

Recommendation

10. Concerted long-term efforts are still necessary to build national capacity and improve the Government's leadership in the formulation and monitoring of SHD policies and strategies. UNDP might consider helping the Government to prepare an overall capacity-building programme for programme development and management as a part of improved governance (integrating support of public administration reform, aid coordination and management, and sectoral and central planning).

Agreed action

11. UNDP will continue to support the national efforts towards meeting Consultative Group commitments in governance at central and local levels. Through its support to the public administration reform programme, which in the interim has been reviewed and reassessed with assistance from independent experts, UNDP will facilitate the implementation and internationalization of the management systems by the Government, leading to increased capacity for national execution.

Poverty eradication and sustainable livelihoods

Findings

12. UNDP aided the Ministry of Planning in the publication of different analyses (e.g., the first Cambodian household survey and first poverty profile). The publication of these analyses has filled a vacuum in reporting on poverty and related issues in the country's development and is highly valued by the Government and various donor and NGO partners. UNDP contributed to developing the capacity of

the Ministry of Health with respect to the formulation, implementation and monitoring of health sector reform initiatives. Health management tools and training have been provided to the Ministry at the central, provincial and district levels. UNDP, together with the World Health Organization (WHO), will continue to provide support to build a SWAP for the health sector.

13. With ILO assistance, support has been provided to the Ministry of Education with respect to the development of a sustainable technical, vocational and educational training system geared to promoting employment and fostering skills among the poor. This strategy of providing skill training has proved successful in identifying income-generating opportunities for the poor. The non-Khmer hill people of the Ratanakiri area have been assisted by UNDP through advocacy and support mechanisms to promote sustainable indigenous livelihood systems which favour the preservation of indigenous culture. The establishment of an inter-ministerial committee to mainstream the concerns of indigenous highland peoples in government policies, and pilot cross-sectoral and community-based natural resource management activities has been promoted. The largest project of UNDP assistance in Cambodia has been the Cambodian Area Rehabilitation and Regeneration project (CARERE), which began in 1992 as a response to the urgent need to reintegrate and resettle refugees and internally displaced people. The experience achieved under the project with capacity-building for decentralized local planning, financing and management of rural development has led the Government to adopt it as a model for its national SEILA programme, a national institutional framework for decentralized planning, financing and management of rural development. In the area of microcredit for the poor, and women in particular, the long-term capacity-building support of UNDP for the Association of Cambodian Local Economic Development Agencies (ACLEDA), in the current and final phase through national execution, is now yielding good results, with the organization's upcoming transformation into a financially autonomous and licensed bank. It can be considered a major success story in UNDP support in Cambodia.

Recommendation

14. UNDP should continue to support capacity-building for participatory development and poverty eradication. The systems and methodology for administering cost-effective microcredit through ACLEDA should be of considerable interest elsewhere as a best practice for development. UNDP support should be converted from a project approach (e.g., CARERE) to a support programme for SEILA, with emphasis on extending the successes in decentralized development to other provinces, particularly in support of further demobilization of former combatants.

Agreed action

15. The CARERE project will be converted into a support programme for SEILA and UNDP will assist the Government in replicating the SEILA model for development of other provinces. ACLEDA expertise will be made available as a best practice for development.

Environment

Findings

16. UNDP, working through the Food and Agriculture Organization of the United Nations (FAO), has assisted capacity development in the Department of Forestry to conduct forest resource assessments and to develop a national forestry policy and related guidelines, critical for improved forestry management. It is expected that these efforts will lead to the adoption of a comprehensive programme of support for improved forestry sector management, in which several donors have expressed interest. FAO provides the technical lead while UNDP continues to have an important role of administering a multi-bi forestry trust fund. In addition, funding from the Global Environment Facility (GEF) has prompted focus on biodiversity concerns and the Government is now drafting and will eventually make use of institutional legislation to protect the Tonle Sap Lake area, on which over 40 per cent of the country's population is dependent for their livelihood. Through its advocacy and information activities, UNDP has helped to build and expand the Government's awareness of resource depletion issues, leading to more open policy dialogue about resource conservation and sustainability. With support from GEF, UNDP has encouraged and assisted the Government in participating in the international conventions on biological diversity and climate change. These initiatives will lead to preparation of national reports on biodiversity plans and actions, assess existing knowledge and skills in this area and identify options for capacity-building in biodiversity management, conservation and protection.

Recommendation

17. UNDP should continue to support the forestry sector management efforts and actively mobilize resources for this area.

Agreed action

18. UNDP, through the approved forestry crime monitoring and reporting programme, which falls within the comprehensive forestry sector, will continue to mobilize resources in order to implement the second phase of the forestry environment programme.

Gender equality and the advancement of women

Conclusion

19. UNDP is an important player and an active advocate in Cambodia for gender mainstreaming at the policy and grass-roots levels. The 1998 national human development report focused on gender issues and provided much-needed data for planning projects and programmes in support of Cambodian girls and women. UNDP has also funded films and brochures to build awareness of gender issues. Gender has been appropriately treated as a cross-cutting concern in practically all UNDP projects, most of which have a gender component. UNDP has provided major support to CARERE and projects dealing with governance, democracy and human rights, urban poor, and microcredit, as well as HIV/AIDS-related activities. There are two further specific interventions: (a) support to the newly created Ministry of Women's and Veteran Affairs in the preparation of a comprehensive capacity-

building programme, undertaken in close partnership with other United Nations agencies and NGOs; and (b) support in fighting trafficking in women and children in the Mekong subregion under a subregional project.

Recommendation

20. UNDP should continue to seek donor funding for the implementation of the new comprehensive capacity-building programme.

Agreed action

21. UNDP, through a preparatory assistance project funded by the Netherlands, will finalize the programme support document (PSD) and continue to seek other donor commitments for the comprehensive capacity-building programme of the Ministry of Women's and Veteran Affairs.

Special development situations

Findings

22. The insecurity which is created by the millions of landmines and unexploded ordnance lying in the ground in Cambodia is a major development constraint and their removal a task of enormous proportions and complexity. This process is increasingly being undertaken by the Cambodians themselves through the Cambodian Mine Action Centre (CMAC), which is today a national institution with a well-equipped force of nearly 3,000 personnel carrying out demining operations in accordance with international standards. This effort must continue for the foreseeable future, for despite the considerable progress in land clearance, mine awareness and related activities achieved by CMAC, the task remaining is enormous and must be approached by everyone concerned with a long-term time-frame. UNDP continues to manage the CMAC trust fund (14 donors have contributed more than $40 million to date) and to provide technical assistance for the management of CMAC.

Recommendation

23. Further technical assistance will be needed for some time to come and UNDP assistance should be appropriately scheduled to shift from the use of long-term expatriate technical advisers towards more focused advisory support in selected interventions to assist Cambodian managers to upgrade their capacities and systems.

Agreed action

24. UNDP will continue to provide support in special areas related to human security on demining and will gradually reduce its long-term technical assistance in this area towards assisting CMAC to become a fully autonomous national entity.

IV. UNDP support to the United Nations

Findings

25. Significant inter-agency collaboration to date is evident in the successful completion of the first common country assessment (CCA) in 1998, and in the harmonization of United Nations agency programming periods to the end of the Government's first socio-economic development plan in 2000. Work is ongoing on a United Nations Development Assistance Framework (UNDAF) for Cambodia. Inter-agency theme groups have played active roles in four areas: HIV/AIDS, poverty, governance, and the environment. UNDP has taken a leadership role through its support for the functioning of the resident coordinator's function, and through its own project and advocacy activities, particularly in the areas of gender, poverty, governance and the environment. UNDP support of United Nations development work is further strengthened by the public relations and publication work carried out effectively by its information unit, which annually publishes an impressive array of materials on the work of the United Nations in Cambodia, as well as, *inter alia*, promoting the production of television shows. UNDP enjoys a very good reputation with its development partners concerning its efforts to promote coordination around its project activities as well as areas of advocacy. In addition, as an important aid to donor coordination, the annual publication of the OECD/DAC *Development Cooperation Report* remains a valued tool. UNDP efforts in representing those agencies without offices in the country is well appreciated.

Recommendations

26. To promote inter-agency coordination through increased country office and parallel programming, the following have been recommended: (a) considering ways of converting the present theme groups into true inter-agency working groups with terms of reference worked out and agreed to by the United Nations country team, and giving them specific responsibilities to ensure cross-agency and cross-sectoral participation in the formulation of new programmes and projects; (b) continuing the exercise to redefine the present themes or groupings, based on an analysis by the United Nations country team of areas of common interest and overlapping and/or complementary competencies among agencies; (c) strengthening the capacity of the Resident Coordinator's office through the assignment of a full-time staff member in the professional category to facilitate efforts to move coordination to this next higher level.

Agreed action

27. UNDP is taking steps in the recruitment of a professional staff member to assist the Resident Coordinator. The conversion of the working groups will be reviewed within the donor's coordination mechanisms put in place as a follow-up and monitoring mechanism to the Consultative Group meeting. Moreover, should a comprehensive development framework be developed in Cambodia, the resident coordinator system will review its UNDAF accordingly and global conference themes will be advocated within this context.

V. Management

The programme approach

Findings

28. The programme approach has yet to be fully developed in Cambodia, owing largely to the Government's low capacity to develop and manage integrated strategies and programmes when the CCF was formulated. UNDP helped to prepare the Government's policy on public administration reform which was submitted to the February 1999 Consultative Group meeting, which will provide the basis for the preparation of the first PSD. UNDP also supports the development of a programme approach in the social sectors, including health, education and urban development.

Recommendation

29. The mission strongly recommends to both the Government and UNDP to adopt a definite, phased strategy for greater use of the programme approach and national execution modality. The country office should begin arrangements for training its staff, government counterpart staff, and donors and other partners, as appropriate, in the programme approach and methodology.

Agreed action

30. Appropriate training facilities will be developed. Due consideration will be given to the programme approach and to SWAP and other related mechanisms.

National and direct execution for programme sustainability

Findings

31. Agency execution remains by far the main modality in Cambodia with a large number of United Nations specialized agencies involved in the execution of UNDP projects. Currently, there are six nationally executed projects, with total budgets of $2.3 million. Even where projects are nationally executed, expenditures are usually made by the UNDP office as direct payments to vendors. For example, the CMAC general trust fund is under direct execution by UNDP and valuable lessons have been learned and experience gained in this regard.

Recommendation

32. National execution should be used more widely in order to provide greater national ownership and sustainability of the UNDP programme. Experience with national execution in other UNDP offices should be explored and the office should designate a national execution focal point. The Government and UNDP should agree on a specific strategy to increase government responsibility for the management of projects and programmes to the counterpart units within the Government or to other national institutions designated by the Government. UNDP and/or the Office of the Resident Coordinator should commission a capacity study and draw up more explicit, systematic capacity-building strategies with clear targets for every important project or programme under the next CCF. Regarding supplementary payments or salary incentives to government personnel, UNDP should advocate and

pursue the development of a clear code of conduct and exit strategy for any such payments.

Agreed actions

33. The Government and donors will discuss the need to undertake a capacity-building assessment study on human resources and overall technical assistance. Efforts will be made to mobilize additional resources to help to build the required capacity within the Government.

Resource mobilization

Findings

34. For the period 1997-2000, UNDP regular resources (TRAC 1.1.1, 1.1.2 plus carry-over, and 1.1.3), support services for policy and programme development (SPPD) and support for technical services (STS) and Special Programme Resources actually allocated to Cambodia amount to $44.2 million, while other resources actually mobilized amount to $70 million (made up of $11.4 million through third-party cost-sharing, $53.6 million in trust funds, and $4.7 million from the United Nations Capital Development Fund). Allocation of UNDP resources among the programme categories of the strategic results framework (SRF) is as follows: poverty eradication and sustainable livelihoods: $56.7 million (51.1 per cent); special development situations: $31.1 million (27.9 per cent); enabling environment for SHD: $19.3 million (17.4 per cent); environment: $4.1 million (3.6 per cent).

Recommendations

35. The success encountered in mobilizing resources may be credited to the high profile and the credibility gained by UNDP in Cambodia, but it is likely to prove difficult to maintain this high level of resource mobilization in the future. In this regard the Cambodia country office needs to increase actively its efforts and strategies to mobilize resources.

Agreed action

36. UNDP and the Government will consolidate their partnership for resource mobilization, using a programme-targeted approach. However, it should be noted that events such as elections or the launching of support for mine clearance are unique and it is likely that levels previously reached may not be maintained. Other factors that will undoubtedly affect resource mobilization are urgent challenges in the region and overall trends among donors towards development assistance.

Monitoring and evaluation

Conclusion

37. UNDP rules and procedures for project monitoring are being followed. A comprehensive monitoring and evaluation plan covering the CCF period has been prepared and is under implementation, including tripartite reviews.

Annex

Financial summary

Country: Cambodia
CCF period: 1997-2000
Period covered by the country review: January 1997 to August 1999

Regular resources	*Amount assigned for the CCF**	*Amount planned for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Estimated IPF carry-over	11 259	11 259	11 259
TRAC 1.1.1 and TRAC 1.1.2 (66.7% of TRAC 1.1.1)	22 303	16 727	17 041
TRAC 1.1.3	2 000	5 319	3 957
Other resources (SPR)	0	312	312
Support for policy and programme development/ support for technical services	1 108	2 596	1 474
Subtotal	**36 670**	**36 213**	**34 043**

Other resources	*Amount targeted for the CCF**	*Amount mobilized for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Government cost-sharing	0	0	0
Third-party cost-sharing	9 467	12 495	11 795
Sustainable development funds			
GEF	500	243	117
Funds, trust funds and other			
Special Purpose Trust Funds	25 000	62 465	54 278
UNCDF	6 605	3 815	3 663
Subtotal	**41 572**	**79 018**	**69 853**
Grand total	**78 242**	**115 231**	**103 896**

* Prorated for the period under review.